



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-2028/3
JK:kmg&jd:pg

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9 2003 BILL

~~changes on page 3,
9, and 50~~

in 7-17-03

D-N

due Monday
7-20-03

- re given

1 AN ACT *to repeal* 20.435 (3) (bm), 46.513, 77.51 (4), 77.51 (14) (d), 77.51 (14) (i),
2 77.51 (14) (k), 77.51 (14) (L), 77.51 (14r), 77.51 (15), 77.52 (6), 77.52 (14) (a) 2.,
3 77.523 (title), 77.53 (4), 77.54 (14g), 77.54 (14s), 77.54 (20), 77.54 (20m), 77.54
4 (22), 77.54 (28), 77.54 (40), 77.61 (3), 77.65 (2) (c), 77.72 (title) and 77.72 (2) and
5 (3); *to renumber* 77.51 (1), 77.51 (14) (g), 77.524 (1) (a), 77.524 (1) (b) and 77.53
6 (9m); *to renumber and amend* 77.52 (1), 77.523, 77.61 (2), 77.72 (1) and 77.77
7 (1); *to consolidate, renumber and amend* 77.52 (14) (a) (intro.) and 1. and
8 (b); *to amend* 66.0615 (1m) (f) 2., 70.111 (23), 73.03 (50) (d), 76.07 (4g) (b) 8.,
9 77.51 (5), 77.51 (13) (o), 77.51 (14) (intro.), 77.51 (14) (a), 77.51 (14) (j), 77.51
10 (17), 77.51 (20), 77.51 (21), 77.52 (2) (intro.), 77.52 (2) (a) 10., 77.52 (7), 77.52
11 (13), 77.52 (15), 77.524 (1) (intro.), 77.53 (1), 77.53 (3), 77.53 (9), 77.53 (10),
12 77.53 (11), 77.53 (16), 77.53 (17), 77.53 (17m), 77.53 (17r) (a), 77.53 (18), 77.54
13 (1), 77.54 (2), 77.54 (2m), 77.54 (3) (a), 77.54 (3m) (intro.), 77.54 (4), 77.54 (5)
14 (intro.), 77.54 (6) (intro.), 77.54 (8), 77.54 (9), 77.54 (9a) (intro.), 77.54 (10), 77.54

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1 (11), 77.54 (12), 77.54 (13), 77.54 (14) (intro.), 77.54 (14) (a), 77.54 (14) (b), 77.54
2 (14) (f), 77.54 (15), 77.54 (16), 77.54 (17), 77.54 (18), 77.54 (21), 77.54 (23m),
3 77.54 (25), 77.54 (26), 77.54 (26m), 77.54 (27), 77.54 (29), 77.54 (30) (a) (intro.),
4 77.54 (30) (c), 77.54 (31), 77.54 (32), 77.54 (33), 77.54 (34), 77.54 (35), 77.54 (36),
5 77.54 (37), 77.54 (38), 77.54 (39), 77.54 (41), 77.54 (42), 77.54 (43), 77.54 (44),
6 77.54 (45), 77.54 (46), 77.54 (46m), 77.55 (1) (intro.), 77.55 (2), 77.55 (2m), 77.55
7 (3), 77.56 (1), 77.57, 77.58 (3) (b), 77.58 (6), 77.59 (9), 77.61 (1) (b), 77.61 (1) (c),
8 77.65 (2) (e), 77.70, 77.705, 77.706, 77.707 (1), 77.707 (2), 77.71 (1), 77.71 (2),
9 77.71 (3), 77.71 (4), 77.785 (1), 77.785 (2), 77.98, 77.981, 77.982 (2), 77.99,
10 77.991 (2), 77.994 (1) (intro.), 77.9941 (4), 77.995 (2), 77.9951 (2), 86.195 (3) (b)
11 3. and 218.0171 (2) (cq); **to repeal and recreate** 77.51 (7), 77.51 (17m) and
12 77.63; and **to create** 73.03 (50b), 73.03 (59), 77.51 (1b), 77.51 (1e), 77.51 (1n),
13 77.51 (1p), 77.51 (2k), 77.51 (2m), 77.51 (3p), 77.51 (3pd), 77.51 (3pj), 77.51
14 (3pp), 77.51 (3t), 77.51 (7m), 77.51 (10m), 77.51 (10n), 77.51 (10r), 77.51 (11m),
15 77.51 (12m), 77.51 (12p), 77.51 (13s), 77.51 (15a), 77.51 (15b), 77.51 (17w), 77.51
16 (21p), 77.51 (22) (bm), 77.52 (1) (b), 77.52 (1) (c), 77.52 (7b), 77.522, 77.524 (1)
17 (ag), 77.53 (9m) (b), 77.53 (9m) (c), 77.54 (14b), 77.54 (20n), 77.54 (20r), 77.54
18 (22b), 77.58 (6m), 77.58 (9a), 77.585, 77.59 (2m), 77.59 (9n), 77.59 (9p) (b), 77.59
19 (9r), 77.60 (13), 77.61 (2) (b), 77.61 (3m), 77.61 (5m), 77.61 (16), 77.66 and 77.77
20 (1) (b) of the statutes; **relating to:** the Uniform Sales and Use Tax

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- 1 Administration Act, granting rule-making authority, making an
2 appropriation, and providing a penalty.

*Analysis by the Legislative Reference Bureau***TAXATION****OTHER TAXATION**

This bill adopts the substantive provisions of the streamlined sales and use tax agreement (agreement) for purposes of administering and collecting state, county, and stadium district sales and use taxes. The agreement is intended to simplify and modernize sales and use tax administration for the states that enter into the agreement and to encourage out-of-state retailers to collect the state, county, and stadium district sales and use taxes voluntarily. Under current federal law, generally, an out-of-state retailer who sells goods or services to customers in this state is not required to collect the sales tax or use tax imposed on such sales, if the retailer has no physical presence in this state. See *Quill v. North Dakota*, 504 U.S. 298; 112 S.Ct. 1904 (1992).

States that wish to enter into the agreement must adopt uniform definitions related to the administration of sales and use taxes and uniform policies related to sourcing sales of goods and services, bad debt allowances, refunds, and, to some extent, exemptions. Under the agreement, DOR may act jointly with other states that are signatories to the agreement to establish standards for certifying service providers and automated systems to aid out-of-state retailers with the collection of state sales and use taxes.

Under current law, "gross receipts" refers to the measure of the sales tax, and "sales price" refers to the measure of the use tax. Under the bill, "sales price" refers to the measure of the sales tax, and "purchase price" refers to the measure of the use tax.

The bill creates definitions for "alcohol beverages," "candy," "delivery charges," "dietary supplement," "food and food ingredients," "prepared food," and "soft drink."

The agreement provides that a state that is a signatory to the agreement may choose to tax or not tax all articles that are covered by one definition, but a state may not exempt from sales tax or use tax a particular item that is included in a definition. The members of the project working on the agreement approved a definition for "clothing." Therefore, in order to comply with the agreement, a state may either tax all clothing or exempt all clothing, but a state may not exempt certain items of clothing and tax others. This bill, therefore, eliminates the sales tax and use tax exemptions for cloth diapers and antiembolism hose.

This bill creates definitions for "mobility-enhancing equipment" and "prosthetic device." Under the bill, the sale of such equipment and devices is exempt from the sales tax and the use tax.

Under the bill, generally, for purposes of determining which jurisdiction may impose a sales tax or use tax on a sale, if a purchaser receives a product at the seller's business location, the sale of that product occurs at the seller's business location. If

"durable medical equipment," ✓

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a purchaser does not receive the product at a seller's business location, the sale occurs at the location where the purchaser receives the product. If the location of the sale cannot be so determined, the sale occurs at the purchaser's address, as indicated by the seller's business records. If the address cannot be determined from the business records, the sale occurs at the purchaser's address, as obtained during the consummation of the sale, including the address indicated on the purchaser's check. Finally, if the location of a sale cannot be determined in any other way, the sale of tangible personal property occurs at the location from which the tangible personal property is shipped. Under the bill, if the item sold is a digital good or computer software, and the digital good or computer software is delivered electronically, the sale occurs at the location from which the digital good or computer software was first available for transmission by the seller.

Under the bill, generally, the sale of a telecommunications service occurs at a location that is determined to be consistent with the provisions of the federal Mobile Telecommunications Sourcing Act.

This bill will be referred to the Joint Survey Committee on Tax Exemptions for a detailed analysis, which will be printed as an appendix to this bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.435 (3) (bm) of the statutes is repealed.

2 **SECTION 2.** 46.513 of the statutes is repealed.

3 **SECTION 3.** 66.0615 (1m) (f) 2. of the statutes is amended to read:

4 66.0615 (1m) (f) 2. Sections 77.51 (12m), (14) (~~e~~), (~~f~~ and ~~j~~) and, (14g), (15a),
5 and (15b), 77.52 (3), (3m), (4), (~~6~~) and (13), (14), (18), and (19), 77.522, 77.58 (1) to (5),
6 (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9) and, (12) to (14), and
7 (15), and 77.62, as they apply to the taxes under subch. III of ch. 77, apply to the tax
8 described under subd. 1.

9 **SECTION 4.** 70.111 (23) of the statutes is amended to read:

10 70.111 (**23**) VENDING MACHINES. All machines that automatically dispense soda
11 ~~water beverages, as defined in s. 97.29 (1) (i), and items included as a food or beverage~~
12 ~~under s. 77.54 (20) (a) and (b) food and food ingredient, as defined in s. 77.51 (3t),~~

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1 upon the deposit in the machines of specified coins or currency, or insertion of a credit
2 card, in payment for the soda water beverages, food or beverages.

3 **SECTION 5.** 73.03 (50) (d) of the statutes is amended to read:

4 73.03 (50) (d) In the case of a sole proprietor, signs the form or, in the case of
5 other persons, has an individual who is authorized to act on behalf of the person sign
6 the form, or, in the case of a single-owner entity that is disregarded as a separate
7 entity under section 7701 of the Internal Revenue Code, the person is the owner. Any
8 person who may register under this subsection may designate an agent, as defined
9 in s. 77.524 (1) (ag), to register with the department under this subsection in the
10 manner prescribed by the department. In this paragraph, “sign” has the meaning
11 given in s. 77.51 (17r).

12 **SECTION 6.** 73.03 (50b) of the statutes is created to read:

13 73.03 (50b) To waive the fee established under sub. (50) for applying for and
14 renewing the business tax registration certificate, if the person who is applying for
15 or renewing the certificate is not required for purposes of ch. 77 to hold such a
16 certificate.

17 **SECTION 7.** 73.03 (59) of the statutes is created to read:

18 73.03 (59) To do all of the following related to the Uniform Sales and Use Tax
19 Administration Act:

20 (a) Certify compliance with the agreement, as defined in s. 77.65 (2) (a).

21 (b) Pursuant to the agreement, as defined in s. 77.65 (2) (a), certify certified
22 service providers, as defined in s. 77.51 (1g), and certified automated systems, as
23 defined in s. 77.524 (1) (am).

24 (c) Consistent with the agreement, as defined in s. 77.65 (2) (a), establish
25 performance standards and eligibility criteria for a seller that sells tangible personal

BILL**SECTION 7**

1 property or taxable services in at least 5 states that are signatories to the agreement,
2 as defined in s. 77.65 (2) (a); that has total annual sales revenue of at least
3 \$500,000,000; that has a proprietary system that calculates the amount of tax owed
4 to each taxing jurisdiction in which the seller sells tangible personal property or
5 taxable services; and that has entered into a performance agreement with the states
6 that are signatories to the agreement, as defined in s. 77.65 (2) (a). For purposes of
7 this paragraph, “seller” includes an affiliated group of sellers using the same
8 proprietary system to calculate the amount of tax owed in each taxing jurisdiction
9 in which the sellers sell tangible personal property or taxable services.

10 (d) Issue a tax identification number to a person who claims an exemption
11 under subch. III or V of ch. 77 and who is not required to register with the department
12 for the purposes of subch. III or V of ch. 77 and establish procedures for the
13 registration of such a person.

14 (e) Maintain a database that is accessible to sellers and certified service
15 providers, as defined in s. 77.51 (1g), that indicates whether items defined in
16 accordance with the Uniform Sales and Use Tax Administration Act are taxable or
17 nontaxable.

18 (f) Maintain a database that is accessible to sellers and certified service
19 providers, as defined in s. 77.51 (1g), that indicates tax rates, taxing jurisdiction
20 boundaries, and zip code or address assignments related to the administration of
21 taxes imposed under subchs. III and V of ch. 77.

22 (g) Set forth the information that the seller shall provide to the department for
23 tax exemptions claimed by purchasers and establish the manner in which a seller
24 shall provide such information to the department.

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1 (h) Provide monetary allowances, in addition to the retailer's discount provided
2 under s. 77.61 (4) (c), to certified service providers, as defined in s. 77.51 (1g), and
3 sellers that use certified automated systems, as defined in s. 77.524 (1) (am), or
4 proprietary systems, pursuant to the agreement as defined in s. 77.65 (2) (a).

5 **SECTION 8.** 76.07 (4g) (b) 8. of the statutes is amended to read:

6 76.07 (4g) (b) 8. Determine transport-related revenue by adding public service
7 revenue allocated to this state on the basis of routes for which the company is
8 authorized to receive subsidy payments, mutual aid allocated to this state on the
9 basis of the ratio of transport revenues allocated to this state to transport revenues
10 everywhere in the previous year, in-flight sales allocated to this state as they are
11 allocated under s. ~~77.51 (14r)~~ 77.522 and all other transport-related revenues from
12 sales made in this state.

13 **SECTION 9.** 77.51 (1) of the statutes is renumbered 77.51 (1d).

14 **SECTION 10.** 77.51 (1b) of the statutes is created to read:

15 77.51 (1b) "Alcohol beverage" means a beverage that is suitable for human
16 consumption and that contains 0.5% or more of alcohol by volume.

17 **SECTION 11.** 77.51 (1e) of the statutes is created to read:

18 77.51 (1e) "Candy" means a preparation of sugar, honey, or other natural or
19 artificial sweetener combined with chocolate, fruit, nuts, or other ingredients or
20 flavorings in the form of bars, drops, or pieces. "Candy" does not include a
21 preparation that contains flour or that requires refrigeration.

22 **SECTION 12.** 77.51 (1n) of the statutes is created to read:

23 77.51 (1n) "Computer" means an electronic device that accepts information in
24 digital or similar form and that manipulates such information to achieve a result
25 based on a sequence of instructions.

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SECTION 13. 77.51 (1p) of the statutes is created to read:

77.51 (1p) “Computer software” means a set of coded instructions designed to cause a computer or automatic data processing equipment to perform a task.

SECTION 14. 77.51 (2k) of the statutes is created to read:

77.51 (2k) “Delivered electronically” means delivered to a purchaser by means other than by tangible storage media.

SECTION 15. 77.51 (2m) of the statutes is created to read:

77.51 (2m) “Delivery charges” means charges by a seller to prepare and deliver tangible personal property or services to a location designated by the purchaser of the tangible personal property or services, including charges for transportation, shipping, postage, handling, crating, and packing.

SECTION 16. 77.51 (3p) of the statutes is created to read:

77.51 (3p) “Dietary supplement” means a product, other than tobacco, that is intended to supplement a person’s diet, if all of the following apply:

(a) The product contains any of the following ingredients or any combination of any of the following ingredients:

1. A vitamin.
2. A mineral.
3. An herb or other botanical.
4. An amino acid.
5. A dietary substance that is intended for human consumption to supplement the diet by increasing total dietary intake.

6. A concentrate, metabolite, constituent, or extract.

(b) The product is intended for ingestion in tablet, capsule, powder, soft-gel, gel-cap, or liquid form, or, if not intended for ingestion in such forms, is not

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1 represented as conventional food and is not represented for use as the sole item of
2 a meal or diet.

3 (c) The product is required to be labeled as a dietary supplement as required
4 under 21 CFR 101.36.

5 **SECTION 17.** 77.51 (3pd) of the statutes is created to read:

6 77.51 (3pd) "Direct mail" means printed material that is delivered by the U.S.
7 postal service or other delivery service to a mass audience or to addressees on a
8 mailing list provided by or at the direction of the purchaser of the printed material,
9 if the cost of the printed material or any tangible personal property included with the
10 printed material is not billed directly to the recipients of the printed material.
11 "Direct mail" includes any tangible personal property provided directly or indirectly
12 by the purchaser of the printed material to the seller of the printed material for
13 inclusion in any package containing printed material. "Direct mail" does not include
14 multiple items of printed material delivered to a single address.

15 **SECTION 18.** 77.51 (3pj) of the statutes is created to read:

16 77.51 (3pj) "Drug" means a compound, substance, or preparation, or any
17 component of them, other than food and food ingredients, dietary supplements, or
18 alcoholic beverages, to which any of the following applies:

19 (a) It is listed in the United States Pharmacopoeia, Homeopathic
20 Pharmacopoeia of the United States, or National Formulary, or any supplement to
21 any of them.

22 (b) It is intended for use in diagnosing, curing, mitigating, treating, or
23 preventing a disease.

24 (c) It is intended to affect a function or structure of the body.

25 **SECTION 19.** 77.51 (3pp) of the statutes is created to read:

INSERT 9-24 ✓

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1 77.51 (3pp) “Electronic” means relating to technology having electrical,
2 digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

3 **SECTION 20.** 77.51 (3t) of the statutes is created to read:

4 77.51 (3t) “Food and food ingredient” means a substance in liquid,
5 concentrated, solid, frozen, dried, or dehydrated form, that is sold for ingestion, or
6 for chewing, by humans and that is ingested or chewed for its taste or nutritional
7 value. “Food and food ingredient” does not include alcohol beverages or tobacco.

8 **SECTION 21.** 77.51 (4) of the statutes is repealed.

9 **SECTION 22.** 77.51 (5) of the statutes is amended to read:

10 77.51 (5) For purposes of subs. (13) (e) and (f) and ~~(14) (L)~~ (15a) and s. 77.52
11 (2m), “incidental” means depending upon or appertaining to something else as
12 primary; something necessary, appertaining to, or depending upon another which is
13 termed the principal; something incidental to the main purpose of the service.
14 Tangible personal property transferred by a service provider is incidental to the
15 service if the purchaser’s main purpose or objective is to obtain the service rather
16 than the property, even though the property may be necessary or essential to
17 providing the service.

18 **SECTION 23.** 77.51 (7) of the statutes is repealed and recreated to read:

19 77.51 (7) (a) “Lease or rental” means any transfer of possession or control of
20 tangible personal property for a fixed or indeterminate term and for consideration
21 and includes:

- 22 1. A transfer that includes future options to purchase or extend.
23 2. Agreements related to the transfer of possession or control of motor vehicles
24 or trailers, if the amount of any consideration may be increased or decreased by

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1 reference to the amount realized on the sale or other disposition of such motor
2 vehicles or trailers, consistent with section 7701 (h) (1) of the Internal Revenue Code.

3 (b) “Lease or rental” does not include any of the following:

4 1. A transfer of possession or control of tangible personal property under a
5 security agreement or deferred payment plan, if such agreement or plan requires
6 transferring title to the tangible personal property after making all required
7 payments.

8 2. A transfer of possession or control of tangible personal property under any
9 agreement that requires transferring title to the tangible personal property after
10 making all required payments and after paying an option price that does not exceed
11 the greater of \$100 or 1% of the total amount of the required payments.

12 3. Providing tangible personal property along with an operator, if the operator
13 is necessary for the tangible personal property to perform in the manner for which
14 it is designed and if the operator does more than maintain, inspect, or set up the
15 tangible personal property.

16 (c) 1. Transfers described under par. (a) are considered a lease or rental,
17 regardless of whether such transfer is considered a lease or rental under generally
18 accepted accounting principles, or any provision of federal or local law, or any other
19 provision of state law.

20 2. Transfers described under par. (b) are not considered a lease or rental,
21 regardless of whether such transfer is considered a lease or rental under generally
22 accepted accounting principles, or any provision of federal or local law, or any other
23 provision of state law.

24 **SECTION 24.** 77.51 (7m) of the statutes is created to read:

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1 **77.51 (7m)** “Mobility-enhancing equipment” means equipment, including the
2 repair parts and replacement parts for the equipment, that is primarily and
3 customarily used to provide or increase the ability of a person to move from one place
4 to another; that may be used in a home or motor vehicle; and that is generally not
5 used by a person who has normal mobility. “Mobility-enhancing equipment” does
6 not include a motor vehicle or any equipment on a motor vehicle that is generally
7 provided by a motor vehicle manufacturer.

8 **SECTION 25.** 77.51 (10m) of the statutes is created to read:

9 **77.51 (10m)** (a) “Prepared food” means:

- 10 1. Food and food ingredients sold in a heated state.
- 11 2. Food and food ingredients heated by the retailer, except as provided in par.
- 12 (b).
- 13 3. Food and food ingredients sold with eating utensils that are provided by the
- 14 retailer of the food and food ingredients, including plates, knives, forks, spoons,
- 15 glasses, cups, napkins, and straws. In this subdivision, “plate” does not include a
- 16 container or packaging used to transport food and food ingredients.

- 17 4. Except as provided in par. (b), 2 or more food ingredients mixed or combined
- 18 by a retailer for sale as a single item.

19 (b) “Prepared food” under par. (a) 2. and 4. does not include:

- 20 1. Two or more food ingredients mixed or combined by a retailer for sale as a
- 21 single item, if the retailer’s primary classification in the 1997 North American
- 22 Industry Classification System, published by the federal office of management and
- 23 budget, is manufacturing under sectors 31 to 33, not including bakeries and tortilla
- 24 manufacturing under industry group number 3118.

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1 2. Two or more food ingredients mixed or combined by a retailer for sale as a
2 single item, sold unheated, and sold by volume or weight.

3 3. Bakery items made by a retailer, including breads, rolls, pastries, buns,
4 biscuits, bagels, croissants, donuts, danish, cakes, tortes, pies, tarts, muffins, bars,
5 cookies, and tortillas.

6 4. Food and food ingredients that are only sliced, repackaged, or pasteurized
7 by a retailer.

8 5. Eggs, fish, meat, and poultry, and foods containing any of them in raw form,
9 that require cooking by the consumer, as recommended by the food and drug
10 administration in chapter 3, part 401.11 of its food code to prevent food-borne
11 illnesses.

12 **SECTION 26.** 77.51 (10n) of the statutes is created to read:

13 77.51 (10n) "Prescription" means an order, formula, or recipe that is issued by
14 any oral, written, electronic, or other means of transmission and by a person who is
15 authorized by the laws of this state to issue such an order, formula, or recipe.

16 **SECTION 27.** 77.51 (10r) of the statutes is created to read:

17 77.51 (10r) "Prewritten computer software" means any of the following:

18 (a) Computer software that is not designed and developed by the author or
19 creator of the software according to a specific purchaser's specifications.

20 (b) Computer software upgrades that are not designed and developed by the
21 author or creator of the software according to a specific purchaser's specifications.

22 (c) Computer software that is designed and developed by the author or creator
23 of the software according to a specific purchaser's specifications and that is sold to
24 another purchaser.

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1 (d) Any combination of computer software under pars. (a) to (c), including any
2 combination with any portion of such software.

3 (e) Computer software as described under pars. (a) to (d), and any portion of
4 such software, that is modified or enhanced by any degree to a specific purchaser's
5 specifications, except such modification or enhancement that is reasonably and
6 separately indicated on an invoice, or other statement of the price, provided to the
7 purchaser.

8 **SECTION 28.** 77.51 (11m) of the statutes is created to read:

9 77.51 (11m) "Prosthetic device" means a device, including the repair parts and
10 replacement parts for the device, that is placed in or worn on the body to artificially
11 replace a missing portion of the body; to prevent or correct a physical deformity or
12 malfunction; or to support a weak or deformed portion of the body.

13 **SECTION 29.** 77.51 (12m) of the statutes is created to read:

14 77.51 (12m) (a) "Purchase price" means the total amount of consideration,
15 including cash, credit, property, and services, for which tangible personal property
16 or services are sold, leased, or rented, valued in money, whether paid in money or
17 otherwise, without any deduction for the following:

- 18 1. The seller's cost of the property sold.
- 19 2. The cost of materials used, labor or service cost, interest, losses, all costs of
20 transportation to the seller, all taxes imposed on the seller, and any other expense
21 of the seller.
- 22 3. Charges by the seller for any services necessary to complete a sale, not
23 including delivery and installation charges.
- 24 4. Delivery charges, except as provided in par. (b) 4.
- 25 5. Installation charges.

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1 6. The value of exempt tangible personal property, if the exempt tangible
2 personal property is bundled with taxable tangible personal property and sold by the
3 seller as a single product or piece of merchandise.

4 (b) "Purchase price" does not include:

5 1. Discounts, including cash, terms, or coupons, that are not reimbursed by a
6 3rd party; that are allowed by a seller; and that are taken by a purchaser on a sale.

7 2. Interest, financing, and carrying charges from credit that is extended on a
8 sale of personal property or services, if the amount of the interest, financing, or
9 carrying charges is separately stated on the invoice, bill of sale, or similar document
10 that the seller gives to the purchaser.

11 3. Any taxes legally imposed directly on the purchaser that are separately
12 stated on the invoice, bill of sale, or similar document that the seller gives to the
13 purchaser.

14 4. Delivery charges for direct mail.

15 5. In all transactions in which an article of tangible personal property is traded
16 toward the purchase of an article of greater value, the amount of the purchase price
17 that represents the amount allowed for the article traded, except that this
18 subdivision does not apply to any transaction to which subd. 7. or 8. applies.

19 6. If a person who purchases a motor vehicle presents a statement issued under
20 s. 218.0171 (2) (cq) to the seller at the time of purchase, and the person presents the
21 statement to the seller within 60 days from the date of receiving a refund under s.
22 218.0171 (2) (b) 2. b., the trade-in amount specified in the statement issued under
23 s. 218.0171 (2) (cq), but not to exceed the purchase price from the sale of the motor
24 vehicle. This subdivision applies only to the first motor vehicle purchased by a
25 person after receiving a refund under s. 218.0171 (2) (b) 2. b.

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1 7. Thirty-five percent of the purchase price, excluding trade-ins, of a new
2 mobile home, as defined in s. 340.01 (29), that is a primary housing unit or of a new
3 mobile home, as defined in s. 340.01 (29), that is transported in 2 unattached sections
4 if the total size of the combined sections, not including additions and attachments,
5 is at least 984 square feet measured when the sections are ready for transport. This
6 subdivision does not apply to a lease or rental.

7 8. At the retailer's option; except that after the retailer chooses an option the
8 retailer may not use the other option for other sales without the department's written
9 approval; either 35% of the purchase price of a manufactured building, as defined in
10 s. 101.71 (6), or an amount equal to the purchase price of the manufactured building
11 minus the cost of materials that become an ingredient or component part of the
12 building.

13 **SECTION 30.** 77.51 (12p) of the statutes is created to read:

14 77.51 (12p) "Purchaser" means a person to whom a sale of tangible personal
15 property is made or to whom a service is furnished.

16 **SECTION 31.** 77.51 (13) (o) of the statutes is amended to read:

17 77.51 (13) (o) A person selling ~~medicine~~ drugs for animals to a veterinarian.
18 As used in this paragraph, "animal" includes livestock, pets and poultry.

19 **SECTION 32.** 77.51 (13s) of the statutes is created to read:

20 77.51 (13s) "Retail sale" or "sale at retail" means any sale, lease, or rental for
21 any purpose other than resale, sublease, or subrent.

22 **SECTION 33.** 77.51 (14) (intro.) of the statutes is amended to read:

23 77.51 (14) (intro.) "~~Sale~~, ~~sale, lease or rental~~, ~~retail sale~~, ~~sale at retail~~, or
24 ~~equivalent terms include~~ includes any ~~one or all~~ of the following: the transfer of the
25 ownership of, title to, possession of, or enjoyment of tangible personal property or

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1 services for use or consumption but not for resale as tangible personal property or
2 services and includes:

3 **SECTION 34.** 77.51 (14) (a) of the statutes is amended to read:

4 77.51 (14) (a) Any sale at an auction in respect to tangible personal property
5 which is sold to a successful bidder. ~~The proceeds from, except the sale of property~~
6 sold at auction which is bid in by the seller and on which title does not pass to a new
7 purchaser ~~shall be deducted from the gross proceeds of the sale and the tax paid only~~
8 ~~on the net proceeds.~~

9 **SECTION 35.** 77.51 (14) (d) of the statutes is repealed.

10 **SECTION 36.** 77.51 (14) (g) of the statutes is renumbered 77.51 (15a) (b) 4.

11 **SECTION 37.** 77.51 (14) (i) of the statutes is repealed.

12 **SECTION 38.** 77.51 (14) (j) of the statutes is amended to read:

13 77.51 (14) (j) The granting of possession of tangible personal property by a
14 lessor to a lessee, or to another person at the direction of the lessee. Such a
15 transaction is deemed a continuing sale in this state ~~by the lessor for the duration~~
16 ~~of the lease as respects any period of time the leased property is situated in this state,~~
17 ~~irrespective of the time or place of delivery of the property to the lessee or such other~~
18 ~~person.~~

19 **SECTION 39.** 77.51 (14) (k) of the statutes is repealed.

20 **SECTION 40.** 77.51 (14) (L) of the statutes is repealed.

21 **SECTION 41.** 77.51 (14r) of the statutes is repealed.

22 **SECTION 42.** 77.51 (15) of the statutes is repealed.

23 **SECTION 43.** 77.51 (15a) of the statutes is created to read:

24 77.51 (15a) (a) “Sales, lease, or rental for resale, sublease, or subrent” includes
25 transfers of tangible personal property to a service provider that the service provider

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1 transfers in conjunction with but not incidental to the selling, performing, or
2 furnishing of any service, and transfers of tangible personal property to a service
3 provider that the service provider physically transfers in conjunction with the
4 selling, performing, or furnishing services under s. 77.52 (2) (a) 7., 10., 11., or 20. This
5 paragraph does not apply to sub. (2).

6 (b) “Sales, lease, or rental for resale, sublease, or subrent” does not include any
7 of the following:

8 1. The sale of building materials, supplies, and equipment to owners,
9 contractors, subcontractors, or builders for use in real property construction
10 activities or the alteration, repair, or improvement of real property, regardless of the
11 quantity of such materials, supplies, and equipment sold.

12 2. Any sale of tangible personal property to a purchaser even though such
13 property may be used or consumed by some other person to whom such purchaser
14 transfers the tangible personal property without valuable consideration, such as
15 gifts, and advertising specialties distributed gratis apart from the sale of other
16 tangible personal property or service.

17 3. Transfers of tangible personal property to a service provider that the service
18 provider transfers in conjunction with the selling, performing, or furnishing of any
19 service, if the tangible personal property is incidental to the service, unless the
20 service provider is selling, performing, or furnishing services under s. 77.52 (2) (a)
21 7., 10., 11., or 20.

22 **SECTION 44.** 77.51 (15b) of the statutes is created to read:

23 77.51 (15b) (a) “Sales price” means the total amount of consideration, including
24 cash, credit, property, and services, for which tangible personal property or services

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1 are sold, leased, or rented, valued in money, whether received in money or otherwise,
2 without any deduction for the following:

3 1. The seller's cost of the property sold.

4 2. The cost of materials used, labor or service cost, interest, losses, all costs of
5 transportation to the seller, all taxes imposed on the seller, and any other expense
6 of the seller.

7 3. Charges by the seller for any services necessary to complete a sale, not
8 including delivery and installation charges.

9 4. Delivery charges, except as provided in par. (b) 4.

10 5. Installation charges.

11 6. The value of exempt tangible personal property, if the exempt tangible
12 personal property is bundled with taxable tangible personal property and sold by the
13 seller as a single product or piece of merchandise.

14 (b) "Sales price" does not include:

15 1. Discounts, including cash, terms, or coupons, that are not reimbursed by a
16 3rd party; that are allowed by a seller; and that are taken by a purchaser on a sale.

17 2. Interest, financing, and carrying charges from credit that is extended on a
18 sale of tangible personal property or services, if the amount of the interest, financing,
19 or carrying charges is separately stated on the invoice, bill of sale, or similar
20 document that the seller gives to the purchaser.

21 3. Any taxes legally imposed directly on the purchaser that are separately
22 stated on the invoice, bill of sale, or similar document that the seller gives to the
23 purchaser.

24 4. Delivery charges for direct mail.

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1 5. In all transactions in which an article of tangible personal property is traded
2 toward the purchase of an article of greater value, the amount of the sales price that
3 represents the amount allowed for the article traded, except that this subdivision
4 does not apply to any transaction to which subd. 7. or 8. applies.

5 6. If a person who purchases a motor vehicle presents a statement issued under
6 s. 218.0171 (2) (cq) to the seller at the time of purchase, and the person presents the
7 statement to the seller within 60 days from the date of receiving a refund under s.
8 218.0171 (2) (b) 2. b., the trade-in amount specified in the statement issued under
9 s. 218.0171 (2) (cq), but not to exceed the sales price from the sale of the motor vehicle.
10 This subdivision applies only to the first motor vehicle purchased by a person after
11 receiving a refund under s. 218.0171 (2) (b) 2. b.

12 7. Thirty-five percent of the sales price, excluding trade-ins, of a new mobile
13 home, as defined in s. 340.01 (29), that is a primary housing unit or of a new mobile
14 home, as defined in s. 340.01 (29), that is transported in 2 unattached sections if the
15 total size of the combined sections, not including additions and attachments, is at
16 least 984 square feet measured when the sections are ready for transport. This
17 subdivision does not apply to a lease or rental.

18 8. At the retailer's option; except that after the retailer chooses an option the
19 retailer may not use the other option for other sales without the department's written
20 approval; either 35% of the sales price of a manufactured building, as defined in s.
21 101.71 (6), or an amount equal to the sales price of the manufactured building minus
22 the cost of materials that become an ingredient or component part of the building.

23 **SECTION 45.** 77.51 (17) of the statutes is amended to read:

24 77.51 (17) "Seller" includes every person selling, leasing or renting tangible
25 personal property or selling, performing or furnishing services of a kind the gross

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1 ~~receipts sales price~~ from the sale, lease, rental, performance or furnishing of which
2 ~~are is~~ required to be included in the measure of the sales tax.

3 **SECTION 46.** 77.51 (17m) of the statutes is repealed and recreated to read:

4 **77.51 (17m)** “Service address” means any of the following:

5 (a) The location of the telecommunications equipment to which a customer’s
6 telecommunications service is charged and from which the telecommunications
7 service originates or terminates, regardless of where the telecommunications service
8 is billed or paid.

9 (b) If the location described under par. (a) is not known by the seller who sells
10 the telecommunications service, the location where the signal of the
11 telecommunications service originates, as identified by the seller’s
12 telecommunications system or, if the signal is not transmitted by the seller’s
13 telecommunications system, by information that the seller received from the seller’s
14 service provider.

15 (c) If the locations described under pars. (a) and (b) are not known by the seller
16 who sells the telecommunications service, the customer’s place of primary use.

17 **SECTION 47.** 77.51 (17w) of the statutes is created to read:

18 **77.51 (17w)** “Soft drink” means a beverage that contains less than 0.5% of
19 alcohol and that contains natural or artificial sweeteners. “Soft drink” does not
20 include a beverage that contains milk or milk products; soy, rice, or similar milk
21 substitutes; or more than 50% vegetable or fruit juice by volume.

22 **SECTION 48.** 77.51 (20) of the statutes is amended to read:

23 **77.51 (20)** “Tangible personal property” means ~~all tangible~~ personal property
24 ~~of every kind and description that can be seen, weighed, measured, felt, or touched,~~
25 or that is in any other manner perceptible to the senses, and includes electricity,

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1 natural gas, steam and, water, and also leased property affixed to realty if the lessor
2 has the right to remove the property upon breach or termination of the lease
3 agreement, unless the lessor of the property is also the lessor of the realty to which
4 the property is affixed. “Tangible personal property” also includes coins and stamps
5 of the United States sold or traded as collectors’ items above their face value and
6 computer programs except custom prewritten computer programs software.

7 **SECTION 49.** 77.51 (21) of the statutes is amended to read:

8 77.51 (21) “Taxpayer” means the person who is required to pay, collect, or
9 account for or who is otherwise directly interested in the taxes imposed by this
10 subchapter, including a certified service provider.

11 **SECTION 50.** 77.51 (21p) of the statutes is created to read:

12 77.51 (21p) “Tobacco” means cigarettes, cigars, chewing tobacco, pipe tobacco,
13 and any other item that contains tobacco.

14 **SECTION 51.** 77.51 (22) (bm) of the statutes is created to read:

15 77.51 (22) (bm) In this subsection, “exercise of any right or power over tangible
16 personal property or taxable services” includes distributing, selecting recipients,
17 determining mailing schedules, or otherwise directing the distribution,
18 dissemination, or disposal of tangible personal property or taxable services,
19 regardless of whether the purchaser of such property or services owns or physically
20 possesses, in this state, the property or services.

21 **SECTION 52.** 77.52 (1) of the statutes is renumbered 77.52 (1) (a) and amended
22 to read:

23 77.52 (1) (a) For the privilege of selling, licensing, leasing or renting tangible
24 personal property, including accessories, components, attachments, parts, supplies
25 and materials, at retail a tax is imposed upon all retailers at the rate of 5% of the

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1 ~~gross receipts sales price~~ from the sale, license, lease or rental of tangible personal
2 property, including accessories, components, attachments, parts, supplies and
3 materials, sold, leased or rented at retail in this state.

4 **SECTION 53.** 77.52 (1) (b) of the statutes is created to read:

5 77.52 (1) (b) For the privilege of selling at retail coins and stamps of the United
6 States that are sold or traded as collectors' items above their face value, a tax is
7 imposed on all retailers at the rate of 5% of the sales price from the sale of such coins
8 and stamps.

9 **SECTION 54.** 77.52 (1) (c) of the statutes is created to read:

10 77.52 (1) (c) For the privilege of leasing property that is affixed to real property,
11 a tax is imposed on all retailers at the rate of 5% of the sales price from the lease of
12 such property, if the lessor has the right to remove the leased property upon breach
13 or termination of the lease agreement, unless the lessor of the leased property is also
14 the lessor of the real property to which the leased property is affixed.

15 **SECTION 55.** 77.52 (2) (intro.) of the statutes is amended to read:

16 77.52 (2) (intro.) For the privilege of selling, licensing, performing or furnishing
17 the services described under par. (a) at retail in this state to consumers or users, a
18 tax is imposed upon all persons selling, licensing, performing or furnishing the
19 services at the rate of 5% of the ~~gross receipts sales price~~ from the sale, license,
20 performance or furnishing of the services.

21 **SECTION 56.** 77.52 (2) (a) 10. of the statutes is amended to read:

22 77.52 (2) (a) 10. Except for installing or applying tangible personal property
23 which, when installed or applied, will constitute an addition or capital improvement
24 of real property, the repair, service, alteration, fitting, cleaning, painting, coating,
25 towing, inspection, and maintenance of all items of tangible personal property

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1 unless, at the time of such repair, service, alteration, fitting, cleaning, painting,
2 coating, towing, inspection, or maintenance, a sale in this state of the type of property
3 repaired, serviced, altered, fitted, cleaned, painted, coated, towed, inspected, or
4 maintained would have been exempt to the customer from sales taxation under this
5 subchapter, other than the exempt sale of a motor vehicle or truck body to a
6 nonresident under s. 77.54 (5) (a) and other than nontaxable sales outside this state
7 under s. ~~77.51 (14r)~~ 77.522. For purposes of this paragraph, the following items shall
8 be considered to have retained their character as tangible personal property,
9 regardless of the extent to which any such item is fastened to, connected with, or built
10 into real property: furnaces, boilers, stoves, ovens, including associated hoods and
11 exhaust systems, heaters, air conditioners, humidifiers, dehumidifiers,
12 refrigerators, coolers, freezers, water pumps, water heaters, water conditioners and
13 softeners, clothes washers, clothes dryers, dishwashers, garbage disposal units,
14 radios and radio antennas, incinerators, television receivers and antennas, record
15 players, tape players, jukeboxes, vacuum cleaners, furniture and furnishings,
16 carpeting and rugs, bathroom fixtures, sinks, awnings, blinds, gas and electric logs,
17 heat lamps, electronic dust collectors, grills and rotisseries, bar equipment,
18 intercoms, recreational, sporting, gymnasium and athletic goods and equipment
19 including by way of illustration but not of limitation bowling alleys, golf practice
20 equipment, pool tables, punching bags, ski tows, and swimming pools; equipment in
21 offices, business facilities, schools, and hospitals but not in residential facilities
22 including personal residences, apartments, long-term care facilities, as defined
23 under s. 16.009 (1) (em), state institutions, as defined under s. 101.123 (1) (i), Type
24 1 secured correctional facilities, as defined in s. 938.02 (19), or similar facilities
25 including, by way of illustration but not of limitation, lamps, chandeliers, and fans,

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1 venetian blinds, canvas awnings, office and business machines, ice and milk
2 dispensers, beverage-making equipment, vending machines, soda fountains, steam
3 warmers and tables, compressors, condensing units and evaporative condensers,
4 pneumatic conveying systems; laundry, dry cleaning, and pressing machines, power
5 tools, burglar alarm and fire alarm fixtures, electric clocks and electric signs.
6 “Service” does not include services performed by veterinarians. The tax imposed
7 under this subsection applies to the repair, service, alteration, fitting, cleaning,
8 painting, coating, towing, inspection, or maintenance of items listed in this
9 subdivision, regardless of whether the installation or application of tangible
10 personal property related to the items is an addition to or a capital improvement of
11 real property, except that the tax imposed under this subsection does not apply to the
12 original installation or the complete replacement of an item listed in this subdivision,
13 if such installation or replacement is a real property construction activity under s.
14 77.51 (2).

15 **SECTION 57.** 77.52 (6) of the statutes is repealed.

16 **SECTION 58.** 77.52 (7) of the statutes is amended to read:

17 77.52 (7) Every person desiring to operate as a seller within this state who
18 holds a valid certificate under s. 73.03 (50) shall file with the department an
19 application for a permit for each place of operations. Every application for a permit
20 shall be made upon a form prescribed by the department and shall set forth the name
21 under which the applicant intends to operate, the location of the applicant’s place of
22 operations, and the other information that the department requires. The Except as
23 provided in sub. (7b), the application shall be signed by the owner if a sole proprietor;
24 in the case of sellers other than sole proprietors, the application shall be signed by
25 the person authorized to act on behalf of such sellers. A nonprofit organization that

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1 has ~~gross receipts~~ a sales price taxable under s. 77.54 (7m) shall obtain a seller's
2 permit and pay taxes under this subchapter on all taxable ~~gross receipts~~ sales prices
3 received after it is required to obtain that permit. If that organization becomes
4 eligible later for the exemption under s. 77.54 (7m) except for its possession of a
5 seller's permit, it may surrender that permit.

6 **SECTION 59.** 77.52 (7b) of the statutes is created to read:

7 77.52 (7b) Any person who may register under sub. (7) may designate an agent,
8 as defined in s. 77.524 (1) (ag), to register with the department under sub. (7), in the
9 manner prescribed by the department.

10 **SECTION 60.** 77.52 (13) of the statutes is amended to read:

11 77.52 (13) For the purpose of the proper administration of this section and to
12 prevent evasion of the sales tax it shall be presumed that all receipts are subject to
13 the tax until the contrary is established. The burden of proving that a sale of tangible
14 personal property or services is not a taxable sale at retail is upon the person who
15 makes the sale unless that person takes from the purchaser ~~a~~ an electronic or paper
16 certificate, in a form prescribed by the department, to the effect that the property or
17 service is purchased for resale or is otherwise exempt; except that no certificate is
18 required for ~~sales of cattle, sheep, goats, and pigs that are sold at a livestock market,~~
19 ~~as defined in s. 95.68 (1) (e) [s. 95.68 (1) (ag)], and no certificate is required for sales~~
20 ~~of commodities, as defined in 7 USC 2, that are consigned for sale in a warehouse in~~
21 ~~or from which the commodity is deliverable on a contract for future delivery subject~~
22 ~~to the rules of a commodity market regulated by the U.S. commodity futures trading~~
23 ~~commission if upon the sale the commodity is not removed from the warehouse~~ the
24 sale of tangible personal property that is exempt under s. 77.54 (7), (7m), (8), (10),

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1 (11), (14), (14b), (15), (17), (20n), (21), (22b), (30), (31), (32), (35), (36), (37), (42), (44),
2 (45), and (46), except as provided in s. 77.54 (30) (e) and (f).

3 **SECTION 61.** 77.52 (14) (a) (intro.) and 1. and (b) of the statutes are consolidated,
4 renumbered 77.52 (14) and amended to read:

5 77.52 (14) The certificate referred to in sub. (13) relieves the seller from the
6 burden of proof only if ~~any of the following is true: 1. The~~ the certificate is taken in
7 good faith from a person who is engaged as a seller of tangible personal property or
8 taxable services and who holds the permit provided for in sub. (9) and who, at the
9 time of purchasing that the person purchases the tangible personal property or
10 services, intends to sell it in the regular course of operations or is unable to ascertain
11 at the time of purchase whether the property or service will be sold or will be used
12 for some other purpose. ~~(b). The certificate under sub. (13) shall not relieve the seller~~
13 of the burden of proof if the seller fraudulently fails to collect sales tax or solicits the
14 purchaser to claim an unlawful exemption. The certificate referred to in sub. (13)
15 shall be signed by and bear the name and address of provide information that
16 identifies the purchaser, and shall indicate the general character of the tangible
17 personal property or service sold by the purchaser and the basis for the claimed
18 exemption and a paper certificate shall be signed by the purchaser. The certificate
19 shall be in such form as the department prescribes by rule.

20 **SECTION 62.** 77.52 (14) (a) 2. of the statutes is repealed.

21 **SECTION 63.** 77.52 (15) of the statutes is amended to read:

22 77.52 (15) If a purchaser who ~~gives a resale certificate~~ purchases tangible
23 personal property or taxable services without paying a sales tax or use tax on such
24 purchase because such property or services were for resale makes any use of the
25 property or services other than retention, demonstration or display while holding it

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1 the property or services for sale, lease or rental in the regular course of the
2 purchaser's operations, the use shall be taxable to the purchaser under s. 77.53 as
3 of the time that the property is or services are first used by the purchaser, and the
4 sales purchase price of the property or services to the purchaser shall be the measure
5 of the tax. ~~Only when there is an unsatisfied use tax liability on this basis because~~
6 ~~the seller has provided incorrect information about that transaction to the~~
7 ~~department shall the seller be liable for sales tax with respect to the sale of the~~
8 ~~property to the purchaser.~~

9 **SECTION 64.** 77.522 of the statutes is created to read:

10 **77.522 Sourcing.** (1) GENERAL. (a) In this section:

11 1. "Direct mail form" means a form for direct mail prescribed by the
12 department.

13 2. "Multiple-points-of-use exemption form" means the
14 multiple-points-of-use exemption form, as prescribed by the department.

15 3. "Product" includes tangible personal property, digital goods, and services.

16 4. "Receive" means taking possession of tangible personal property; making
17 first use of services; or taking possession or making first use of digital goods,
18 whichever comes first. "Receive" does not include a shipping company taking
19 possession of tangible personal property on a purchaser's behalf.

20 5. "Transportation equipment" means all of the following:

21 a. Locomotives and railcars that are used to carry persons or property in
22 interstate commerce.

23 b. Trucks and truck tractors that have a gross vehicle weight rating of 10,001
24 pounds or greater, trailers, semitrailers, and passenger buses, if such vehicles are
25 registered under the International Registration Plan and operated under the

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1 authority of a carrier that is authorized by the federal government to carry persons
2 or property in interstate commerce.

3 c. Aircraft that is operated by air carriers that are authorized by the federal
4 government or a foreign authority to carry persons or property in interstate
5 commerce.

6 d. Containers that are designed for use on the vehicles described in subd. 5. a.
7 to c. and component parts attached to or secured on such vehicles.

8 (b) Except as provided in pars. (c) to (d) and subs. (2), (3), (4), and (5), the
9 location of a sale is determined as follows:

10 1. If a purchaser receives the product at a seller's business location, the sale
11 occurs at that business location.

12 2. If a purchaser does not receive the product at a seller's business location, the
13 sale occurs at the location where the purchaser, or the purchaser's designated donee,
14 receives the product, including the location indicated by the instructions known to
15 the seller for delivery to the purchaser or the purchaser's designated donee.

16 3. If the location of a sale of a product cannot be determined under subds. 1. and
17 2., the sale occurs at the purchaser's address as indicated by the seller's business
18 records, if the records are maintained in the ordinary course of the seller's business
19 and if using that address to establish the location of a sale is not in bad faith.

20 4. If the location of a sale of a product cannot be determined under subds. 1. to
21 3., the sale occurs at the purchaser's address as obtained during the consummation
22 of the sale, including the address indicated on the purchaser's payment instrument,
23 if no other address is available and if using that address is not in bad faith.

24 5. If the location of a sale of a product cannot be determined under subds. 1. to
25 4., the location of the sale is determined as follows:

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1 a. If the item sold is tangible personal property, the sale occurs at the location
2 from which the tangible personal property is shipped.

3 b. If the item sold is a digital good, or computer software delivered
4 electronically, the sale occurs at the location from which the digital good or computer
5 software was first available for transmission by the seller.

6 c. If a service is sold, the sale occurs at the location from which the service was
7 provided.

8 (c) The sale of direct mail occurs at the location from which the direct mail is
9 shipped, if the purchaser does not provide to the seller a direct pay permit, a direct
10 mail form, or other information that indicates the appropriate taxing jurisdiction to
11 which the direct mail is delivered to the ultimate recipients. If the purchaser
12 provides a direct mail form to the seller, the purchaser shall pay or remit, as
13 appropriate, to the department the tax imposed under s. 77.53 (1) on all purchases
14 for which the tax is due and the seller is relieved from liability for collecting such tax.

15 (d) 1. If the service, digital good, or computer software is delivered
16 electronically, a business purchaser who purchases a service, digital good, or
17 computer software who does not hold a direct pay permit under s. 77.52 (17m), and
18 who knows at the time that the purchaser purchases such service, good, or software
19 that the service, good, or software will be concurrently available for use in more than
20 one taxing jurisdiction shall provide a multiple-points-of-use exemption form to the
21 seller, in conjunction with the purchase, and shall pay or remit, as appropriate, to the
22 department the tax imposed under s. 77.53 (1) on all purchases for which the tax is
23 due.

24 2. To apportion the amount of the tax due multiple taxing jurisdictions, a
25 purchaser who provides an exemption form under subd. 1. shall use any reasonable,

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1 consistent, and uniform apportionment method supported by the purchaser's
2 business records that exist at the time of the sale.

3 3. An exemption form provided under subd. 1. shall remain effective for all sales
4 by the seller who received the form to the purchaser who provided the form, unless
5 the purchaser revokes the form in writing and provides such a revocation to the
6 seller.

7 4. If the service, digital good, or computer software is delivered electronically,
8 a business purchaser who purchases a service, digital good, or computer software,
9 who holds a direct pay permit under s. 77.52 (17m), and who knows at the time that
10 the purchaser purchases such service, good, or software that the service, good, or
11 software will be concurrently available for use in more than one taxing jurisdiction
12 is not required to provide a multiple-points-of-use exemption form to the seller, but
13 shall collect, pay, or remit, as appropriate, to the department the tax imposed under
14 s. 77.53 (1) and shall use the apportionment method described under par. (b) to
15 apportion the tax due multiple taxing jurisdictions.

16 5. A seller who receives a multiple-points-of-use exemption form under this
17 paragraph is relieved from liability for collecting the tax imposed under s. 77.53 (1)
18 on purchases related to the multiple-points-of-use exemption form.

19 (2) LEASE OR RENTAL. (a) Except as provided in pars. (b) and (c), with regards
20 to the first or only payment on the lease or rental, the lease or rental of tangible
21 personal property occurs at the location determined under sub. (1) (b) 1. If the
22 property is moved from the place where the property was initially delivered, the
23 subsequent periodic payments on the lease or rental occur at the property's primary
24 location as indicated by an address for the property that is provided by the lessee and
25 that is available to the lessor in records that the lessor maintains in the ordinary

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1 course of the lessor's business, if the use of such an address does not constitute bad
2 faith. The location of a lease or rental as determined under this paragraph shall not
3 be altered by any intermittent use of the property at different locations.

4 (b) The lease or rental of motor vehicles, semitrailers, and aircraft, that are not
5 transportation equipment, occurs at the primary location of such motor vehicles,
6 semitrailers, or aircraft as indicated by an address for the property that is provided
7 by the lessee and that is available to the lessor in records that the lessor maintains
8 in the ordinary course of the lessor's business, if the use of such an address does not
9 constitute bad faith. The location of a lease or rental as determined under this
10 paragraph shall not be altered by any intermittent use of the property at different
11 locations.

12 (c) The lease or rental of transportation equipment occurs at the location
13 determined under sub. (1) (b) 1.

14 **(3) TELECOMMUNICATIONS.** (a) In this subsection:

15 1. "Air-to-ground radiotelephone service" means a radio service in which
16 common carriers are authorized to offer and provide radio telecommunications
17 service for hire to subscribers in aircraft.

18 2. "Call-by-call basis" means any method of charging for telecommunications
19 services by which the price of such services is measured by individual calls.

20 3. "Communications channel" means a physical or virtual path of
21 communications over which signals are transmitted between or among customer
22 channel termination points.

23 4. "Customer" means a person who enters into a contract with a seller of
24 telecommunications services or, in any transaction for which the end user is not the
25 person who entered into a contract with the seller of telecommunications services,

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1 the end user of the telecommunications services. “Customer” does not include a
2 person who resells telecommunications services or, for mobile telecommunications
3 services, a serving carrier under an agreement to serve a customer outside the home
4 service provider’s licensed service area.

5 5. “Customer channel termination point” means the location where a customer
6 inputs or receives communications.

7 6. “End user” means an individual who uses a telecommunications service.

8 7. “Home service provider” means a home service provider under section 124
9 (5) of P.L. 106–252.

10 8. “Mobile telecommunications service” means a mobile telecommunications
11 service under 4 USC 116 to 126, as amended by P.L. 106–252.

12 9. “Place of primary use” means place of primary use, as determined under 4
13 USC 116 to 126, as amended by P.L. 106–252.

14 10. “Postpaid calling service” means a telecommunications service that is
15 obtained by paying for it on a call-by-call basis using a bankcard, travel card, credit
16 card, debit card, or similar method, or by charging it to a telephone number that is
17 not associated with the location where the telecommunications service originates or
18 terminates. “Postpaid calling service” includes a service that would otherwise be a
19 prepaid calling service except that the service provided to the customer is not
20 exclusively a telecommunications service.

21 11. “Prepaid calling service” means the right to access services that are
22 exclusively telecommunications services, if that right is paid for in advance of
23 providing such services, requires using an access number or authorization code to
24 originate calls, and is sold in predetermined units or dollars that decrease with use
25 in a known amount.

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1 12. “Private communication service” means a telecommunications service that
2 entitles the customer to exclusive or priority use of a communications channel or
3 group of communications channels between or among termination points, regardless
4 of the manner in which the communications channel or group of communications
5 channels is connected, and includes switching capacity, extension lines, stations, and
6 other associated services that are provided in connection with the use of such channel
7 or channels.

8 13. “Radio service” means a communication service provided by the use of radio,
9 including radiotelephone, radiotelegraph, paging, and facsimile service.

10 14. “Radiotelegraph service” means transmitting messages from one place to
11 another by means of radio.

12 15. “Radiotelephone service” means transmitting sound from one place to
13 another by means of radio.

14 (b) Except as provided in pars. (d) to (g), the sale of a telecommunications
15 service that is sold on a call-by-call basis occurs in the taxing jurisdiction for sales
16 and use tax purposes where the call originates and terminates, in the case of a call
17 that originates and terminates in the same such jurisdiction, or the taxing
18 jurisdiction for sales and use tax purposes where the call originates or terminates
19 and where the service address is located.

20 (c) Except as provided in pars. (d) to (g), the sale of a telecommunications
21 service that is sold on a basis other than a call-by-call basis occurs at the customer’s
22 place of primary use.

23 (d) The sale of a mobile telecommunications service, except an air-to-ground
24 radiotelephone service and a prepaid calling service, occurs at the customer’s place
25 of primary use.

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1 (e) The sale of a postpaid calling service occurs at the location where the signal
2 of the telecommunications service originates, as first identified by the seller's
3 telecommunications system or, if the signal is not transmitted by the seller's
4 telecommunications system, by information that the seller received from the seller's
5 service provider.

6 (f) The sale of a prepaid calling service occurs at the location determined under
7 sub. (1) (b), except that, if the service is a mobile telecommunications service and the
8 location cannot be determined under sub. (1) (b) 1. to 4., the prepaid calling service
9 occurs at the location determined under sub. (1) (b) 5. c. or at the location associated
10 with the mobile telephone number, as determined by the seller.

11 (g) 1. The sale of a private communication service for a separate charge related
12 to a customer channel termination point occurs at the location of the customer
13 channel termination point.

14 2. The sale of a private communication service in which all customer channel
15 termination points are located entirely in one taxing jurisdiction for sales and use
16 tax purposes occurs in the taxing jurisdiction in which the customer channel
17 termination points are located.

18 3. If the segments are charged separately, the sale of a private communication
19 service that represents segments of a communications channel between 2 customer
20 channel termination points that are located in different taxing jurisdictions for sales
21 and use tax purposes occurs in an equal percentage in both such jurisdictions.

22 4. If the segments are not charged separately, the sale of a private
23 communication service for segments of a communications channel that is located in
24 more than one taxing jurisdiction for sales and use tax purposes occurs in each such
25 jurisdiction in a percentage determined by dividing the number of customer channel

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1 termination points in that jurisdiction by the number of customer channel
2 termination points in all jurisdictions where segments of the communications
3 channel are located.

4 (4) FLORISTS. (a) For purposes of this subsection, “retail florist” means a person
5 engaged in the business of selling cut flowers, floral arrangements, and potted plants
6 and who prepares such flowers, floral arrangements, and potted plants. “Retail
7 florist” does not include a person who sells cut flowers, floral arrangements, and
8 potted plants primarily by mail or via the Internet.

9 (b) The sale of tangible personal property by a retail florist who takes an order
10 from a purchaser occurs at the location where the retail florist takes the order, if the
11 retail florist forwards the order to another retail florist who is at a location other than
12 the location of the florist who takes the order and who transfers the tangible personal
13 property to a person identified by the purchaser.

14 (c) This subsection does not apply to sales occurring on or after January 1, 2006.

15 (5) WHEN A SALE OCCURS. A sale or purchase involving transfer of ownership
16 of property is completed at the time when possession is transferred by the seller or
17 the seller’s agent to the purchaser or the purchaser’s agent, except that for purposes
18 of sub. (1) a common carrier or the U.S. postal service shall be considered the agent
19 of the seller, regardless of any f.o.b. point and regardless of the method by which
20 freight or postage is paid.

21 **SECTION 65.** 77.523 (title) of the statutes is repealed.

22 **SECTION 66.** 77.523 of the statutes is renumbered 77.59 (9p) (a) and amended
23 to read:

24 77.59 (9p) (a) If a customer purchases a service that is subject to 4 USC 116
25 to 126, as amended by P.L. 106–252, and if the customer believes that the amount

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1 of the tax assessed for the service under this subchapter or the place of primary use
2 or taxing jurisdiction assigned to the service is erroneous, the customer may request
3 that the service provider correct the alleged error by sending a written notice to the
4 service provider. The notice shall include a description of the alleged error, the street
5 address for the customer's place of primary use of the service, the account name and
6 number of the service for which the customer seeks a correction, and any other
7 information that the service provider reasonably requires to process the request.
8 Within 60 days from the date that a service provider receives a request under this
9 ~~section~~ paragraph, the service provider shall review its records to determine the
10 customer's taxing jurisdiction. If the review indicates that there is no error as
11 alleged, the service provider shall explain the findings of the review in writing to the
12 customer. If the review indicates that there is an error as alleged, the service
13 provider shall correct the error and shall refund or credit the amount of any tax
14 collected erroneously, along with the related interest, as a result of the error from the
15 customer in the previous 48 months, consistent with s. 77.59 (4). A customer may
16 take no other action, or commence any action, to correct an alleged error in the
17 amount of the tax assessed under this subchapter on a service that is subject to 4 USC
18 116 to 126, as amended by P.L. 106-252, or to correct an alleged error in the assigned
19 place of primary use or taxing jurisdiction, unless the customer has exhausted his
20 or her remedies under this ~~section~~ paragraph.

21 **SECTION 67.** 77.524 (1) (intro.) of the statutes is amended to read:

22 77.524 (1) (intro.) In this ~~subsection~~ section:

23 **SECTION 68.** 77.524 (1) (a) of the statutes is renumbered 77.524 (1) (am).

24 **SECTION 69.** 77.524 (1) (ag) of the statutes is created to read:

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1 77.524 (1) (ag) “Agent” means a person appointed by a seller to represent the
2 seller before the states that are signatories to the agreement, as defined in 77.65 (2)
3 (a).

4 **SECTION 70.** 77.524 (1) (b) of the statutes is renumbered 77.51 (1g).

5 **SECTION 71.** 77.53 (1) of the statutes is amended to read:

6 77.53 (1) Except as provided in sub. (1m), an excise tax is levied and imposed
7 on the use or consumption in this state of coins, stamps, leased property, and taxable
8 services under s. 77.52 purchased from any retailer, at the rate of 5% of the sales
9 purchase price of these such coins, stamps, leased property, and services; on the
10 storage, use or other consumption in this state of tangible personal property
11 purchased from any retailer, at the rate of 5% of the sales purchase price of that
12 property; and on the storage, use or other consumption of tangible personal property
13 manufactured, processed or otherwise altered, in or outside this state, by the person
14 who stores, uses or consumes it, from material purchased from any retailer, at the
15 rate of 5% of the sales purchase price of that material.

16 **SECTION 72.** 77.53 (3) of the statutes is amended to read:

17 77.53 (3) Every retailer engaged in business in this state and making sales of
18 tangible personal property or taxable services ~~for delivery into~~ in this state or with
19 knowledge directly or indirectly that the property or service is intended for storage,
20 use or other consumption in this state, shall, at the time of making the sales or, if the
21 storage, use or other consumption of the tangible personal property or taxable service
22 is not then taxable under this section, at the time the storage, use or other
23 consumption becomes taxable, collect the tax from the purchaser and give to the
24 purchaser a receipt in the manner and form prescribed by the department.

25 **SECTION 73.** 77.53 (4) of the statutes is repealed.

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1 **SECTION 74.** 77.53 (9) of the statutes is amended to read:

2 77.53 (9) Every retailer selling tangible personal property or taxable services
3 for storage, use or other consumption in this state shall register with the department
4 and obtain a certificate under s. 73.03 (50) and give the name and address of all
5 agents operating in this state, the location of all distribution or sales houses or offices
6 or other places of business in this state, the standard industrial code classification
7 of each place of business in this state and the other information that the department
8 requires. Any person who may register under this subsection may designate an
9 agent, as defined in s. 77.524 (1) (ag), to register with the department under this
10 subsection, in the manner prescribed by the department.

11 **SECTION 75.** 77.53 (9m) of the statutes is renumbered 77.53 (9m) (a).

12 **SECTION 76.** 77.53 (9m) (b) of the statutes is created to read:

13 77.53 (9m) (b) Any person who may register under par. (a) may designate an
14 agent, as defined in s. 77.524 (1) (ag), to register with the department under par. (a),
15 in the manner prescribed by the department.

16 **SECTION 77.** 77.53 (9m) (c) of the statutes is created to read:

17 77.53 (9m) (c) The registration under par. (a) by a person who is not otherwise
18 required to collect any tax imposed by this subchapter shall not be used as a factor
19 in determining whether the seller has nexus with this state for any tax at any time.

20 **SECTION 78.** 77.53 (10) of the statutes is amended to read:

21 77.53 (10) For the purpose of the proper administration of this section and to
22 prevent evasion of the use tax and the duty to collect the use tax, it is presumed that
23 tangible personal property or taxable services sold by any person for delivery in this
24 state is sold for storage, use, or other consumption in this state until the contrary is
25 established. The burden of proving the contrary is upon the person who makes the

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1 sale unless that person takes from the purchaser ~~a~~ an electronic or paper certificate,
2 in a form prescribed by department, to the effect that the property or taxable service
3 is purchased for resale, or otherwise exempt from the tax; except that no certificate
4 is required for sales of cattle, sheep, goats, and pigs that are sold at a livestock
5 market, as defined in s. 95.68 (1) (e), and no certificate is required for sales of
6 commodities, as defined in 7 USC 2, that are consigned for sale in a warehouse in or
7 from which the commodity is deliverable on a contract for future delivery subject to
8 the rules of a commodity market regulated by the U.S. commodity futures trading
9 commission if upon the sale the commodity is not removed from the warehouse the
10 sale of tangible personal property that is exempt under s. 77.54 (7), (7m), (8), (10),
11 (11), (14), (14b), (15), (17), (20n), (21), (22b), (30), (31), (32), (35), (36), (37), (42), (44),
12 (45), and (46), except as provided in s. 77.54 (30) (e) and (f).

13 **SECTION 79.** 77.53 (11) of the statutes is amended to read:

14 77.53 (11) The certificate referred to in sub. (10) relieves the person selling the
15 property or service from the burden of proof only if taken in good faith from a person
16 who is engaged as a seller of tangible personal property or taxable services and who
17 holds the permit provided for by s. 77.52 (9) and who, at the time of purchasing that
18 the person purchases the tangible personal property or taxable service, intends to
19 sell it in the regular course of operations or is unable to ascertain at the time of
20 purchase whether the property or service will be sold or will be used for some other
21 purpose, or if taken in good faith from a person claiming exemption. The certificate
22 under sub. (10) shall not relieve the seller of the burden of proof if the seller
23 fraudulently fails to collect sales tax or solicit the purchaser to claim an unlawful
24 exemption. The certificate shall be signed by and bear the name and address of
25 provide information that identifies the purchaser and shall indicate the number of

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1 ~~the permit issued to the purchaser, the general character of tangible personal~~
2 ~~property or taxable service sold by the purchaser and the basis for the claimed~~
3 ~~exemption and a paper certificate shall be signed by the purchaser.~~ The certificate
4 shall be substantially in the form that the department prescribes.

5 **SECTION 80.** 77.53 (16) of the statutes is amended to read:

6 77.53 (16) If the purchase, rental or lease of tangible personal property or
7 service subject to the tax imposed by this section was subject to a sales tax by another
8 state in which the purchase was made, the amount of sales tax paid the other state
9 shall be applied as a credit against and deducted from the tax, to the extent thereof,
10 imposed by this section, except no credit may be applied against and deducted from
11 a sales tax paid on the purchase of direct mail, if the direct mail purchaser did not
12 provide to the seller a direct pay permit, a direct mail form, or other information that
13 indicates the appropriate taxing jurisdiction to which the direct mail is delivered to
14 the ultimate recipients. In this subsection “sales tax” includes a use or excise tax
15 imposed on the use of tangible personal property or taxable service by the state in
16 which the sale occurred and “state” includes the District of Columbia but does not
17 include the commonwealth of Puerto Rico or the several territories organized by
18 congress.

19 **SECTION 81.** 77.53 (17) of the statutes is amended to read:

20 77.53 (17) This section does not apply to tangible personal property purchased
21 outside this state, as determined under s. 77.522, other than motor vehicles, boats,
22 snowmobiles, mobile homes not exceeding 45 feet in length, trailers, semitrailers,
23 all-terrain vehicles and airplanes registered or titled or required to be registered or
24 titled in this state, which is brought into this state by a nondomiciliary for the
25 person’s own storage, use or other consumption while temporarily within this state

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1 when such property is not stored, used or otherwise consumed in this state in the
2 conduct of a trade, occupation, business or profession or in the performance of
3 personal services for wages or fees.

4 **SECTION 82.** 77.53 (17m) of the statutes is amended to read:

5 77.53 (17m) This section does not apply to a boat purchased in a state
6 contiguous to this state, as determined under s. 77.522, by a person domiciled in that
7 state if the boat is berthed in this state's boundary waters adjacent to the state of the
8 domicile of the purchaser and if the transaction was an exempt occasional sale under
9 the laws of the state in which the purchase was made.

10 **SECTION 83.** 77.53 (17r) (a) of the statutes is amended to read:

11 77.53 (17r) (a) It is purchased in another state, as determined under s. 77.522.

12 **SECTION 84.** 77.53 (18) of the statutes is amended to read:

13 77.53 (18) This section does not apply to the storage, use or other consumption
14 in this state of household goods for personal use or to aircraft, motor vehicles, boats,
15 snowmobiles, mobile homes, trailers, semitrailers and all-terrain vehicles, for
16 personal use, purchased by a nondomiciliary of this state outside this state, as
17 determined under s. 77.522, 90 days or more before bringing the goods or property
18 into this state in connection with a change of domicile to this state.

19 **SECTION 85.** 77.54 (1) of the statutes is amended to read:

20 77.54 (1) The ~~gross receipts~~ sales price from the sale of and the storage, use or
21 other consumption in this state of tangible personal property and services the ~~gross~~
22 ~~receipts~~ sales price from the sale of which, or the storage, use or other consumption
23 of which, this state is prohibited from taxing under the constitution or laws of the
24 United States or under the constitution of this state.

25 **SECTION 86.** 77.54 (2) of the statutes is amended to read:

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1 77.54 (2) The ~~gross receipts~~ sales price from sales of and the storage, use or
2 other consumption of tangible personal property becoming an ingredient or
3 component part of an article of tangible personal property or which is consumed or
4 destroyed or loses its identity in the manufacture of tangible personal property in
5 any form destined for sale, but this exemption shall not include fuel or electricity.

6 **SECTION 87.** 77.54 (2m) of the statutes is amended to read:

7 77.54 (2m) The ~~gross receipts~~ sales price from the sales of and the storage, use
8 or other consumption of tangible personal property or services that become an
9 ingredient or component of shoppers guides, newspapers or periodicals or that are
10 consumed or lose their identity in the manufacture of shoppers guides, newspapers
11 or periodicals, whether or not the shoppers guides, newspapers or periodicals are
12 transferred without charge to the recipient. In this subsection, “shoppers guides”,
13 “newspapers” and “periodicals” have the meanings under sub. (15). The exemption
14 under this subdivision does not apply to advertising supplements that are not
15 newspapers.

16 **SECTION 88.** 77.54 (3) (a) of the statutes is amended to read:

17 77.54 (3) (a) The ~~gross receipts~~ sales price from the sales of and the storage, use
18 or other consumption of tractors and machines, including accessories, attachments
19 and parts therefor, used exclusively and directly in the business of farming, including
20 dairy farming, agriculture, horticulture, floriculture and custom farming services,
21 but excluding automobiles, trucks, and other motor vehicles for highway use;
22 excluding personal property that is attached to, fastened to, connected to or built into
23 real property or that becomes an addition to, component of or capital improvement
24 of real property and excluding tangible personal property used or consumed in the
25 erection of buildings or in the alteration, repair or improvement of real property,

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1 regardless of any contribution that that the personal property makes to the
2 production process in that building or real property and regardless of the extent to
3 which that personal property functions as a machine.

4 **SECTION 89.** 77.54 (3m) (intro.) of the statutes is amended to read:

5 77.54 (3m) (intro.) The ~~gross receipts~~ sales price from the sale of and the
6 storage, use or other consumption of the following items if they are used exclusively
7 by the purchaser or user in the business of farming; including dairy farming,
8 agriculture, horticulture, floriculture and custom farming services:

9 **SECTION 90.** 77.54 (4) of the statutes is amended to read:

10 77.54 (4) ~~Gross receipts~~ The sales price from the sale of tangible personal
11 property, and the storage, use or other consumption in this state of tangible personal
12 property which is the subject of any such sale, by any elementary school or secondary
13 school, exempted as such from payment of income or franchise tax under ch. 71,
14 whether public or private.

15 **SECTION 91.** 77.54 (5) (intro.) of the statutes is amended to read:

16 77.54 (5) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
17 use or other consumption of:

18 **SECTION 92.** 77.54 (6) (intro.) of the statutes is amended to read:

19 77.54 (6) (intro.) The ~~gross receipts~~ sales price from the sale of and the storage,
20 use or other consumption of:

21 **SECTION 93.** 77.54 (8) of the statutes is amended to read:

22 77.54 (8) Charges for ~~interest, financing or~~ insurance where such charges are
23 separately set forth upon the invoice given by the seller to the purchaser.

24 **SECTION 94.** 77.54 (9) of the statutes is amended to read:

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1 77.54 (9) The ~~gross receipts~~ sales price from sales of tickets or admissions to
2 public and private elementary and secondary school activities, where the entire net
3 proceeds therefrom are expended for educational, religious or charitable purposes.

4 **SECTION 95.** 77.54 (9a) (intro.) of the statutes is amended to read:

5 77.54 (9a) (intro.) The ~~gross receipts~~ sales price from sales to, and the storage
6 by, use by or other consumption of tangible personal property and taxable services
7 by:

8 **SECTION 96.** 77.54 (10) of the statutes is amended to read:

9 77.54 (10) The ~~gross receipts~~ sales price from the sale of all admission fees,
10 admission stickers or camping fees under s. 27.01 (7) to (11) and all admission fees
11 to any museum operated by a nonprofit corporation under a lease agreement with
12 the state historical society.

13 **SECTION 97.** 77.54 (11) of the statutes is amended to read:

14 77.54 (11) The ~~gross receipts~~ sales price from the sales of and the storage, use
15 or other consumption in this state of motor vehicle fuel, general aviation fuel or
16 alternate fuel, subject to taxation under ch. 78, unless the motor vehicle fuel or
17 alternate fuel tax is refunded under s. 78.75 because the buyer does not use the fuel
18 in operating a motor vehicle upon the public highways.

19 **SECTION 98.** 77.54 (12) of the statutes is amended to read:

20 77.54 (12) The ~~gross receipts~~ sales price from the sales of and the storage, use
21 or other consumption in this state of rail freight or passenger cars, locomotives or
22 other rolling stock used in railroad operations, or accessories, attachments, parts,
23 lubricants or fuel therefor.

24 **SECTION 99.** 77.54 (13) of the statutes is amended to read:

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1 77.54 (13) The ~~gross receipts~~ sales price from the sales of and the storage, use
2 or other consumption in this state of commercial vessels and barges of 50-ton burden
3 or over primarily engaged in interstate or foreign commerce or commercial fishing,
4 and the accessories, attachments, parts and fuel therefor.

5 **SECTION 100.** 77.54 (14) (intro.) of the statutes is amended to read:

6 77.54 (14) (intro.) The ~~gross receipts~~ sales price from the sales of and the
7 storage, use, or other consumption in this state of ~~medicines~~ drugs that are any of
8 the following:

9 **SECTION 101.** 77.54 (14) (a) of the statutes is amended to read:

10 77.54 (14) (a) Prescribed for the treatment of a human being by a person
11 authorized to prescribe the ~~medicines~~ drugs, and dispensed on prescription filled by
12 a registered pharmacist in accordance with law.

13 **SECTION 102.** 77.54 (14) (b) of the statutes is amended to read:

14 77.54 (14) (b) Furnished by a licensed physician, surgeon, podiatrist, or dentist
15 to a patient who is a human being for treatment of the patient.

16 **SECTION 103.** 77.54 (14) (f) of the statutes is amended to read:

17 77.54 (14) (f) Furnished without charge to a physician, surgeon, nurse
18 anesthetist, advanced practice nurse, osteopath, dentist who is licensed under ch.
19 447, podiatrist who is licensed under ch. 448, or optometrist who is licensed under
20 ch. 449 if the ~~medicine~~ drug may not be dispensed without a prescription.

21 **SECTION 104.** 77.54 (14b) of the statutes is created to read:

22 77.54 (14b) The sales price from the sales of and the storage, use, or other
23 consumption of bandages, dressings, syringes, and similar items that are bundled
24 together with drugs that are exempt under sub. (14) for sale by the seller as a single
25 product or piece of merchandise.